

KATHLEEN CONNELL  
Controller of the State of California

June 8, 2000

**To the Citizens, Governor, and Members  
of the Legislature of the State of California:**



I am pleased to submit the *Counties Annual Report* for the fiscal year ended June 30, 1998. This eighty-eighth edition is published to assist public officials responsible for county management and planning, and to inform all those interested in the fiscal functions of county government.

Most of the information and data presented herein have been extracted from reports filed by county auditors as required by law. Such reports are not subject to audit by the State Controller. Wherever pertinent, the auditors' reports have been supplemented with supporting information from other designated sources, including additional reports filed by other agencies and compiled by the California State Controller's Office, Division of Accounting and Reporting.

The revenue account titles and the classification of expenditures by functions and activities used in this report are in accordance with the Accounting Standards and Procedures for Counties of California as prescribed in Government Code Section 30200. Where changes in reporting requirements affect comparability of data between years, such changes are noted.

As a result of its combined functions, the City and County of San Francisco is included with the county totals in this report for Assessed Valuation, Area, and Population purposes only. However, the general revenues and expenditures of San Francisco are separately reported in Appendix A. All of the transactions of the City and County of San Francisco are contained in the *Cities Annual Report*.

I wish to join the staff of the Division of Accounting and Reporting in thanking the county officials whose cooperation and hard work made this report possible.

Sincerely,

A handwritten signature in cursive script, reading "Kathleen Connell", is written in dark ink.

KATHLEEN CONNELL  
California State Controller

# Contents

<b>INTRODUCTION .....</b>	<b>iii</b>
General County Financing Sources and Enterprise Revenues.....	iv
General County Financing Uses and Enterprise Expenses .....	xii
Long-Term Financial Obligations.....	xvii
County Assessed Valuation.....	xx
Appropriations Limits.....	xxi

## FINANCIAL SECTION

Table 1.	Summary of General County Statistics for the Fiscal Year Ended June 30, 1998 .....	1
Table 2.	Summary of Assessed Valuation for Counties for the Fiscal Year Ended June 30, 1999 .....	2
Table 3.	Summary of Property Taxes Allocated and Voter Approved Taxes Levied for the Fiscal Year Ended June 30, 1999 .....	3
Table 4.	Summary of General County Financing Sources for the Fiscal Year Ended June 30, 1998 .....	4
Table 5.	Summary of General County Financing Uses by Function and Activity for the Fiscal Year Ended June 30, 1998.....	6
Table 6.	Detailed Statement of General County Financing Sources for the Fiscal Year Ended June 30, 1998 .....	14
Table 7.	Detailed Statement of General County Financing Uses by Budget Units for the Fiscal Year Ended June 30, 1998.....	34
Table 8.	Statement of Outstanding Long-Term Financial Obligations for the Fiscal Year Ended June 30, 1998 .....	92
Table 9.	Airport Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1998 .....	102
Table 10.	Hospital Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1998 .....	112
Table 11.	Refuse Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1998 .....	118

Table 12.	Transportation Enterprise Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1998 .....	126
Table 13.	Other Enterprise/Activity Statement of Revenue and Expense for the Fiscal Year Ended June 30, 1998 .....	134
Table 14.	Statement of Appropriations Limits and Total Annual Appropriations Subject to the Limit as of June 30, 1998 .....	138

## SUPPLEMENTAL INFORMATION

Appendix A:	General Revenue Sources and Expenditure Functions of the City and County of San Francisco for the Fiscal Year Ended June 30, 1998 .....	141
Appendix B:	Sales Tax Allocation Rates.....	147
Appendix C:	Definitions .....	149
Appendix D:	Notes to Tables.....	153
State Controller's Office	Publication List.....	157
Acknowledgements.....		158

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# Introduction

Fifty-seven county governments (exclusive of the City and County of San Francisco) reported receiving revenues for fiscal year 1997-98 amounting to \$33.0 billion. This total includes both general county revenues and revenues from county-operated enterprises, and is 3.69% greater than the prior year primarily because several counties incurred additional debt.

The five largest financing sources by dollar amount and percentage of total revenues were: State Government, \$11.4 billion (34.40%); Federal Government, \$6.1 billion (18.36%, up 4.22% – see Figure 3); Enterprise Receipts, \$5.0 billion (15.04%, up 18.08% – see Figure 11); Property Taxes, \$3.5 billion (10.54%); and Charges for Current Services, \$3.0 billion (9.08%).

During the 1997-98 fiscal year, California's population (exclusive of the City and County of San Francisco) was estimated at 32.5 million people. The three most populous counties — Los Angeles, San Diego, and Orange — represented approximately 46.55% of the population, and received 44.43% of the statewide revenues generated from funding sources for counties. Their respective percentages of population and statewide total revenues received from funding sources were: Los Angeles, 29.57% and 30.05%; San Diego, 8.60% and 7.83%; and Orange, 8.38% and 6.55%.

The counties' financing uses for the same period, including general county expenditures and expenses by county-operated enterprises, totaled \$32.7 billion. The four largest categories and their respective percentages of the state total were: Public Assistance, \$9.8 billion (29.89%); Public Protection, \$8.3 billion (25.27%); General Operations of Enterprise Activities, \$5.1 billion (15.61%); and Health and Sanitation, \$4.7 billion (14.35%).

The three most populous counties accounted for 44.36% of the financing uses, as follows: Los Angeles County, 30.34%; San Diego County, 7.56%; and Orange County, 6.46%.

For the 1997-98 fiscal year, the 57 counties also reported long-term financial obligations totaling \$21.0 billion. This figure includes general obligation bonds, revenue bonds, certificates of participation, improvement district bonds, special assessments act bonds, and lease-purchase obligations.

The City and County of San Francisco, by reason of its combined functions, is included with the county totals in this publication only for area in square miles, 1990 federal census, estimated population (see Table 1), and assessed valuation (see Table 2). San Francisco's general revenues and expenditures are reported separately in Appendix A. All of the transactions of the City and County of San Francisco are included in the *Cities Annual Report*, also published by the State Controller's Office.

# General County Financing Sources and Enterprise Revenues

Total financing sources of \$33.0 billion for 1997-98 were \$1.2 billion, or 3.69% greater than the prior year. General county financing sources of \$28.0 billion accounted for 84.96% of the total, with the remaining \$5.0 billion coming from county-owned enterprise activities such as airports, hospitals, refuse, transportation, and other enterprises. See Figures 1 and 2 for a 10-year comparison.

Figure 1

## General County Financing Sources and Enterprise Revenues

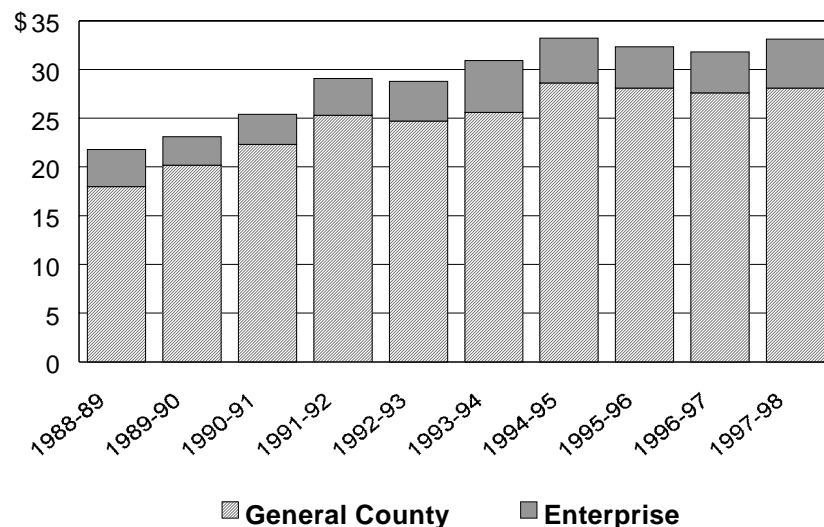
(Amounts in thousands)

Year	General County	Enterprise	Total	Percentage Increase (Decrease)	Per Capita in Dollars
				From Prior Year	
1988-89.....	\$ 18,035,259	\$ 3,819,524	\$ 21,854,783	11.87 %	\$ 782.55
1989-90.....	20,213,437	2,916,820	23,130,257	5.84	804.63
1990-91.....	22,282,725	3,123,806	25,406,531	9.84	857.62
1991-92.....	25,252,495	3,834,712	29,087,207	14.49	961.18
1992-93.....	24,653,911	4,125,891	28,779,802	(1.06)	937.94
1993-94.....	25,592,979	5,300,725	30,893,704	7.35	989.75
1994-95.....	28,648,858	4,586,177	33,235,035	7.58	1,052.09
1995-96.....	28,139,345	4,231,944	32,371,289	(2.60)	1,020.41
1996-97.....	27,642,479	4,205,327	31,847,806	(1.62)	996.74
1997-98.....	28,057,353	4,965,774	33,023,127	3.69	1,016.67

Figure 2

## 10-Year Trend of General County Financing Sources and Enterprise Revenues By Fiscal Year

(Amounts in billions)



# General County Financing Sources (Exclusive of County-Owned Enterprises)

In fiscal year 1997-98, general county financing sources of \$28.0 billion represented an increase of \$414.9 million (1.50%) over the prior year. The combined property tax, sales and use tax, and other local taxes provided 15.48% of the financing sources. The principal source of revenue was the state government, at 40.49%. The federal government was also a major contributor, at 21.61%.

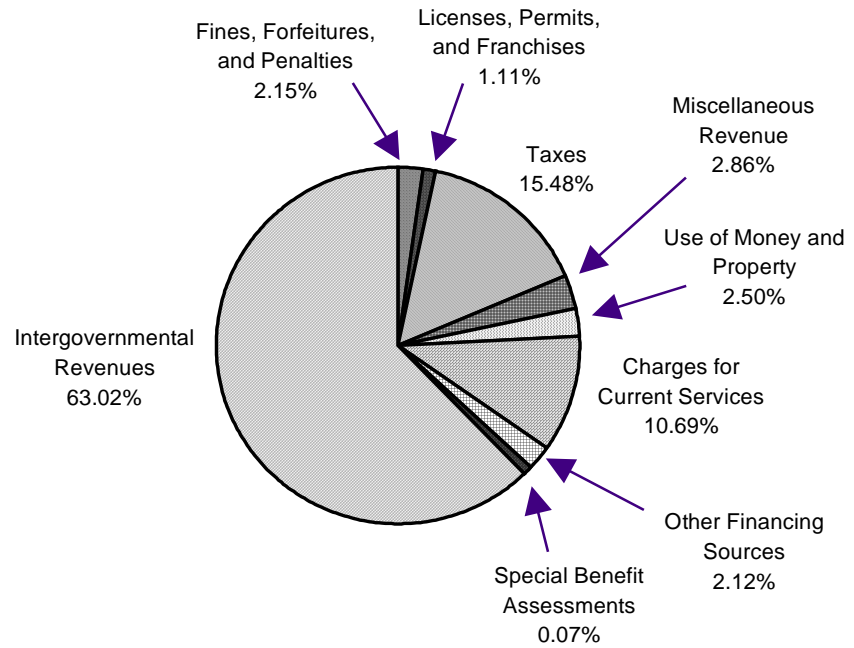
Figure 3 presents further detail on general county financing sources. Figure 4 illustrates the major revenue by general county financing sources. Figure 5 presents a 10-year comparison of general county financing sources. Refer to Appendix C for definitions of general county financing sources.

**Figure 3**

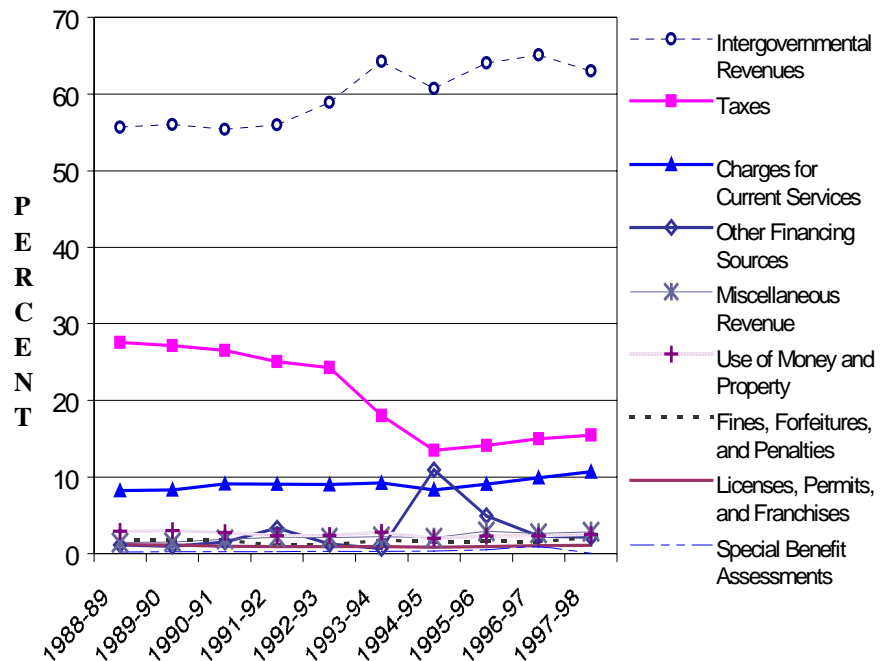
## General County Financing Sources (Amounts in thousands)

Financing Sources	1996-97	Percent of Total	1997-98	Percent of Total	Percentage Increase (Decrease) From Prior Year
<b>Taxes</b>					
Property .....	\$ 3,356,961	12.14 %	\$ 3,480,033	12.40 %	3.67 %
Sales and Use .....	395,682	1.43	391,900	1.40	(0.96)
Other .....	398,789	1.44	471,846	1.68	18.32
<b>Total Taxes .....</b>	<b>4,151,432</b>	<b>15.01</b>	<b>4,343,779</b>	<b>15.48</b>	<b>4.63</b>
Special Benefit Assessments .....	25,705	0.09	18,943	0.07	(26.31)
Licenses, Permits, and Franchises .....	291,168	1.05	312,664	1.11	7.38
Fines, Forfeitures, and Penalties .....	434,536	1.57	605,100	2.15	39.25
Use of Money and Property .....	642,607	2.32	701,625	2.50	9.18
<b>Intergovernmental Revenues</b>					
State Agencies .....	11,965,748	43.30	11,359,682	40.49	(5.07)
Federal Agencies .....	5,816,691	21.05	6,061,997	21.61	4.22
Other Agencies .....	210,386	0.76	259,067	0.92	23.14
<b>Total Intergovernmental Revenues .....</b>	<b>17,992,825</b>	<b>65.11</b>	<b>17,680,746</b>	<b>63.02</b>	<b>(1.73)</b>
Charges for Current Services .....	2,738,116	9.91	2,999,098	10.69	9.53
Miscellaneous Revenue .....	739,051	2.67	801,732	2.86	8.48
Other Financing Sources .....	627,039	2.27	593,666	2.12	(5.32)
<b>Totals .....</b>	<b>\$ 27,642,479</b>	<b>100.00 %</b>	<b>\$ 28,057,353</b>	<b>100.00 %</b>	<b>1.50</b>

**Figure 4**  
**General County Financing Sources**



**Figure 5**  
**10-Year Trend of General County Financing Sources as Percentage of Total By Fiscal Year**  
(Exclusive of County-Owned Enterprises)



## Local Taxes - Property

The major portion of local taxes for county purposes comes from general property tax funds. In the 1997-98 fiscal year, these funds generated \$3.5 billion, an increase of \$123.1 million (3.67%) over the prior year.

Under Proposition 13 limitations, counties only have the authority to levy a property tax rate of 1% ad valorem rate and for ad valorem voter-approved debt, approved prior to July 1, 1978, or after July 1, 1986. The 1% countywide tax rate is levied on the full assessed value; revenues it generates are allocated to cities, community redevelopment agencies, school districts, special districts, and county operations.

During the 1997-98 fiscal year, property taxes generated from the 1% secured and unsecured tax rate amounted to \$3.5 billion. Ad valorem property taxes (in addition to the 1%) for voter-approved debt amounted to \$56.4 million.

During the 1997-98 fiscal year, 57 counties levied supplemental property taxes. Supplemental countywide secured and unsecured taxes totaled \$46.4 million. The revenues generated by the supplemental tax roll for less than countywide secured and unsecured taxes totaled \$3.6 million. Supplemental voter-approved indebtedness and prior year secured and unsecured taxes totaled \$1.7 and \$11.0 million, respectively. See Figure 6 for a 10-year comparison.

**Figure 6**

### Local Taxes — Property

(Amounts in thousands)

Year	Property Tax <sup>1</sup>	Special District Augmentation Fund <sup>2</sup>	Total	Percentage Increase (Decrease) From Prior Year	As a Percentage Of General Revenues <sup>3</sup>
1988-89 .....	\$ 4,313,831	\$ 113,642	\$ 4,427,473	10.38 %	24.55 %
1989-90 .....	4,772,851	134,392	4,907,243	10.84	24.28
1990-91 .....	5,182,021	131,029	5,313,050	8.27	23.84
1991-92 .....	5,578,407	136,279	5,714,686	7.56	22.63
1992-93 .....	5,233,267	138,759	5,372,026	(6.00)	21.79
1993-94 .....	3,942,608	—	3,942,608	(26.61)	15.41
1994-95 .....	3,214,837	—	3,214,837	(18.46)	11.22
1995-96 .....	3,264,909	—	3,264,909	1.56	11.60
1996-97 .....	3,356,961	—	3,356,961	2.82	12.14
1997-98 .....	3,480,033	—	3,480,033	3.67	12.40

<sup>1</sup> Legislation enacted in 1992 began shifting property tax revenues from local government to school districts, thus reducing property tax revenues to counties.

<sup>2</sup> Legislation enacted in 1993 eliminated the special district augmentation fund and increased the amount of property tax revenues being shifted from local government to school districts, thus further reducing property tax revenues to counties.

<sup>3</sup> Total General Revenues exclusive of county-owned enterprises.



## Local Taxes – Sales and Use

County local sales and use tax ordinances produced 1997-98 revenues totaling \$427.7 million, a decrease of \$2.0 million (0.47%) from the prior year. The revenue was derived from taxable sales in unincorporated areas, local transportation taxes and, in many instances, from a percentage of sales tax revenue generated within a city when an agreement to do so was reached between a city and its respective county (see Appendix B). See Figure 7 for a 10-year comparison.

**Figure 7**

### Local Taxes — Sales and Use (Amounts in thousands)

Year	Sales and Use Taxes	Transit	Total	Percentage Increase (Decrease) From Prior Year
1988-89.....	\$ 344,374	\$ 27,099	\$ 371,473	6.21 %
1989-90.....	383,364	23,975	407,339	9.66
1990-91.....	407,712	30,600	438,312	7.60
1991-92.....	389,190	31,746	420,936	(3.96)
1992-93.....	355,239	32,882	388,121	(7.80)
1993-94.....	310,719	35,088	345,807	(10.90)
1994-95.....	312,807	36,095	348,902	0.90
1995-96.....	340,479	34,474 <sup>2</sup>	374,953	7.47
1996-97.....	395,682 <sup>1</sup>	34,025	429,707	14.60
1997-98.....	391,900	35,807	427,707	(0.47)

<sup>1</sup> Increase in Sales and Use Taxes was mainly due to a reclassification of \$38.0 million from the Orange County Transportation Authority to the County of Orange.

<sup>2</sup> Decrease was mainly due to a decline of \$1,755,170 in the "Local Capital Provisions—Transportation Development Act" Fund.

## Local Taxes - Other

In addition to property and sales and use tax monies, the counties received revenues totaling \$380.8 million from a variety of other taxes in 1997-98, a 21.08% increase over the prior year. The property transfer tax on the sale of real estate accounted for 36.36% of this total. Figure 8 presents a three-year comparison. Refer to Appendix C for definitions of other local tax revenues.

**Figure 8****Local Taxes — Other**

(Amounts in thousands)

<b>Local Taxes</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Percentage Increase (Decrease) From Prior Year</b>	<b>1997-98</b>	<b>Percentage Increase (Decrease) From Prior Year</b>
Property Transfer.....	\$ 84,587	\$ 103,542 <sup>1</sup>	22.41 %	\$ 138,449 <sup>3</sup>	33.71 %
Transient Lodging.....	70,544	75,162	6.55	82,138	9.28
Timber Yield.....	9,558	8,876	(7.14)	8,213	(7.47)
Aircraft.....	8,666	9,549	10.19	9,553	0.04
Utility Users.....	76,173	71,300	(6.40)	79,235	11.13
Other.....	36,896	46,034 <sup>2</sup>	24.77	63,178 <sup>4</sup>	37.24
<b>Totals</b> .....	<b>\$ 286,424</b>	<b>\$ 314,463</b>	<b>9.79</b>	<b>\$ 380,766</b>	<b>21.08</b>

<sup>1</sup> Increase in Property Transfer Taxes was mainly due to growth in the sale of real estate by the counties of Alameda, Los Angeles, Orange, San Diego, and Santa Clara.

<sup>2</sup> Increase in Other Taxes was mainly due to growth of local taxes within the counties of Los Angeles and Tulare.

<sup>3</sup> Increase in Property Transfer Taxes was mainly due to growth in the sale of real estate by the counties of Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Mateo, and Santa Clara.

<sup>4</sup> Increase in Other Taxes was mainly due to growth of local taxes within the counties of Los Angeles, San Diego, and San Luis Obispo.

## Intergovernmental Revenue

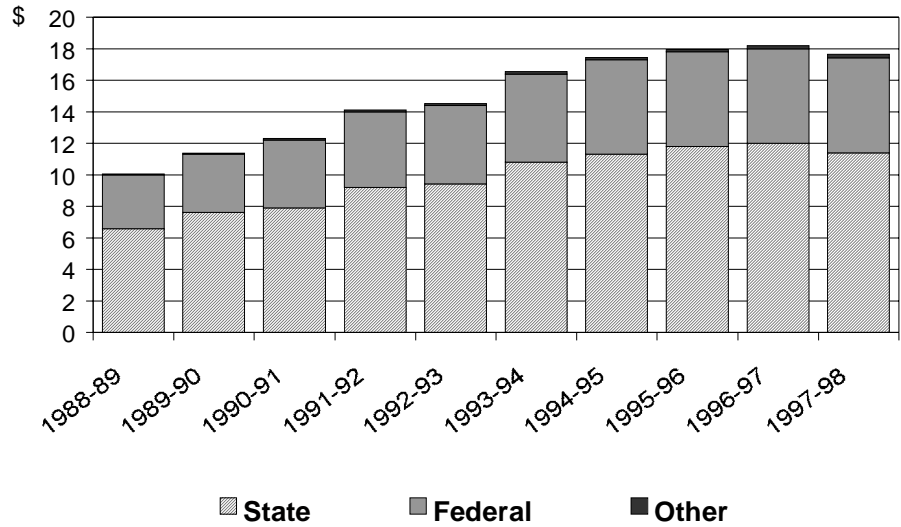
County revenues derived from intergovernmental agencies during 1997-98 totaled \$17.7 billion (63.02%) of general county financing sources. Subventions and allocations from the State accounted for \$11.4 billion (40.49%) of general county financing sources. Federal funds and funds from other agencies amounted to \$6.3 billion (22.53%) of general county financing sources.

For the most part, use of such funds was restricted to specific assistance programs, the majority of which required county participation. For example, \$4.1 billion in state funds and \$4.6 billion in federal funds were restricted for use in public assistance programs and administration.

Unrestricted revenue from intergovernmental agencies included \$69.0 million from homeowners' property tax relief and \$2.3 billion from motor vehicle license fees. See Figures 9 and 10 for a 10-year comparison. See Table 6 for additional detail on intergovernmental revenue.

**Figure 9**

**10-Year Trend of Intergovernmental Agencies Revenue By Fiscal Year**  
(Amounts in billions)



**Figure 10**

**Intergovernmental Agencies Revenue**  
(Amounts in thousands)

Year	State	Federal	Other	Total	Percentage Increase (Decrease) From Prior Year
1988-89 .....	\$ 6,605,451	\$ 3,396,592	\$ 33,916	\$ 10,035,959	8.81 %
1989-90 .....	7,555,189	3,715,968	54,687	11,325,844	12.85
1990-91 .....	7,946,040	4,311,170	93,683	12,350,893	9.05
1991-92 .....	9,223,428	4,806,004	111,671	14,141,103	14.49
1992-93 .....	9,417,452	4,963,950	139,463	14,520,865	2.69
1993-94 .....	10,762,672	5,552,710	135,990	16,451,372	13.29
1994-95 .....	11,271,439	5,977,113	150,120	17,398,672	5.76
1995-96 .....	11,828,105	6,034,459	165,606	18,028,170	3.62
1996-97 .....	11,965,748	5,816,691	210,386	17,992,825	(0.20)
1997-98 .....	11,359,682	6,061,997	259,067	17,680,746	(1.73)

**County  
Enterprise/Activity  
Revenues  
(Exclusive of General  
County Financing  
Sources)**

During 1997-98, county-operated enterprise activities generated revenues totaling \$5.0 billion (exclusive of general county financing sources). This was an increase of \$760.0 million (18.08%) over the prior year. These enterprises included airports, hospitals, refuse, transportation, and other enterprises. Tables 9 through 13 present details of these enterprise activity revenues. See Figures 11 and 12 for a three-year comparison.

Figure 11

**Enterprise/Activity Revenues**  
(Amounts in thousands)

Type of Enterprise/Activity	1995-96	1996-97	Percentage Increase (Decrease) From Prior Year	1997-98	Percentage Increase (Decrease) From Prior Year
Airports .....	\$ 164,598	\$ 189,429	15.09 %	\$ 186,328	(1.64) %
Hospitals .....	3,533,886	3,394,932	(3.93)	4,026,208 <sup>1</sup>	18.59
Refuse .....	438,406	511,393	16.65	633,433 <sup>2</sup>	23.86
Transportation.....	50,459	54,532	8.07	56,753	4.07
Other.....	44,594	55,042	23.43	63,052	14.55
<b>Totals .....</b>	<b>\$ 4,231,943</b>	<b>\$ 4,205,328</b>	<b>(0.63)</b>	<b>\$ 4,965,774</b>	<b>18.08</b>

<sup>1</sup> Increase was mainly due to the hospital enterprise of the County of Los Angeles receiving funds from the county in the amount of \$450 million and the counties of Alameda, Contra Costa, and Santa Clara reporting significant increases in hospital enterprise revenues.

<sup>2</sup> Increase was mainly due to the refuse enterprise of the County of San Diego reporting non-operating revenue in the amount of \$112 million relating to the sale of retired plant and equipment.

Figure 12

**Number of Enterprise/Activity by Type**

Type of Enterprise/ Activity	1995-96 Number of Enterprises	1996-97 Number of Enterprises	Percentage Increase (Decrease) From Prior Year	1997-98 Number of Enterprises	Percentage Increase (Decrease) From Prior Year
Airports.....	44	44	— %	43	(2.27) %
Hospitals .....	21	19	(9.52)	20	5.26
Refuse.....	32	31	(3.13)	31	—
Transportation....	39	36	(7.69)	36	—
Other.....	16	16	—	18	12.50
<b>Totals .....</b>	<b>152</b>	<b>146</b>	<b>(3.95)</b>	<b>148</b>	<b>1.37</b>

# General County Financing Uses and Enterprise Expenses

Financing uses for 1997-98 totaled \$32.7 billion, an increase of \$672.4 million (2.10%) over the prior year. General county financing uses of \$27.6 billion comprised 84.39% of the total. The \$5.1 billion balance consisted of expenses of county-operated enterprises such as airports, hospitals, refuse, transportation, and others. See Figures 13 and 14 for a 10-year comparison.

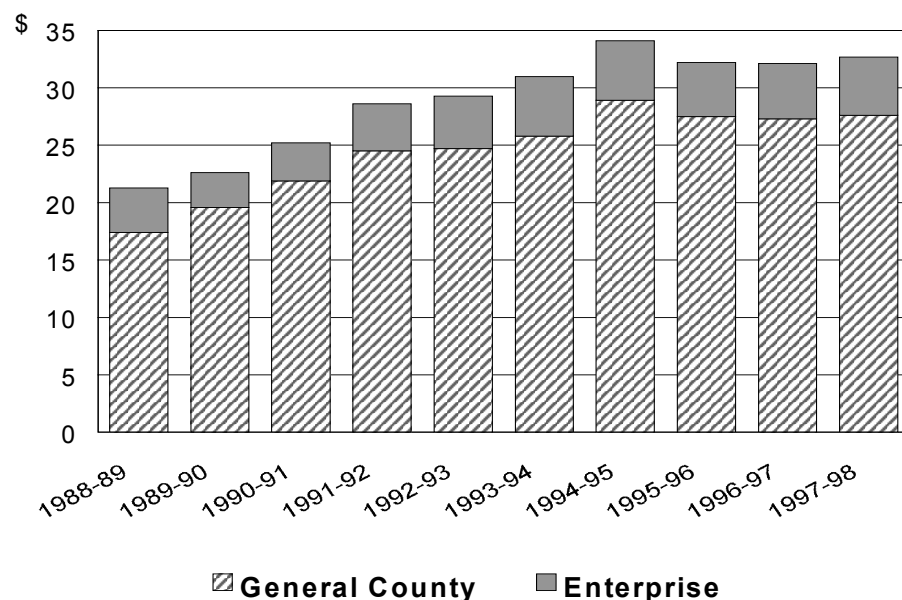
**Figure 13**

**General County Financing Uses and Enterprise Expenses**  
(Amounts in thousands)

Year	General County	Enterprise	Total	Percentage Increase (Decrease) From Prior Year	Per Capita in Dollars
1988-89.....	\$ 17,434,516	\$ 3,946,321	\$ 21,380,837	7.35 %	\$ 765.57
1989-90.....	19,600,647	3,030,106	22,630,753	5.85	787.25
1990-91.....	21,883,458	3,293,420	25,176,878	11.25	849.87
1991-92.....	24,457,705	4,138,659	28,596,364	13.58	944.96
1992-93.....	24,659,032	4,570,192	29,229,224	2.21	952.58
1993-94.....	25,784,547	5,233,740	31,018,287	6.12	993.74
1994-95.....	28,926,353	5,173,994	34,100,347	9.94	1,079.49
1995-96.....	27,515,990	4,670,426	32,186,416	(5.61)	1,014.58
1996-97.....	27,274,177	4,785,861	32,060,038	(0.39)	1,003.38
1997-98.....	27,623,565	5,108,825	32,732,390	2.10	1,007.72

**Figure 14**

**10-Year Trend of General County Financing Uses and Enterprise Expenses  
By Fiscal Year**  
(Amounts in billions)



## General County Financing Uses (Exclusive of County-Owned Enterprises)

General County financing uses for 1997-98 (exclusive of enterprises) amounted to \$27.6 billion, an increase of \$349.4 million (1.28%) over the prior year. The principal areas of expenditures were public assistance, at 35.42%, and public protection, at 29.94%. Figure 15 presents comparative detail on general county financing uses. Figure 16 illustrates the major expenditures by general county financing uses for the 1997-98 fiscal year. See Figure 17 for a 10-year comparison of general county financing uses. Refer to Appendix C for of general county financing uses.

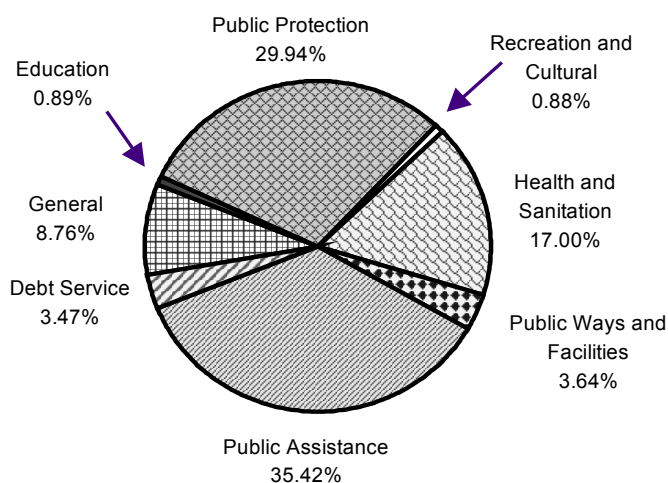
**Figure 15**

### General County Financing Uses (Amounts in thousands)

Financing Uses	1996-97	Percent of Total	1997-98	Percent of Total	Percentage Increase (Decrease) From Prior Year
Public Assistance.....	\$ 10,408,415	38.16 %	\$ 9,782,833	35.42 %	(6.01) %
Public Protection.....	7,868,494	28.85	8,270,604	29.94	5.11
Health and Sanitation.....	4,290,722	15.73	4,695,538	17.00	9.43
General.....	2,423,798	8.89	2,420,897	8.76	(0.12)
Debt Service.....	867,825	3.18	958,455	3.47	10.44
Public Ways and Facilities.....	926,373	3.40	1,006,185	3.64	8.62
Education.....	240,850	0.88	246,752	0.89	2.45
Recreation and Cultural.....	247,700	0.91	242,301	0.88	(2.18)
<b>Total Financing Uses.....</b>	<b>\$ 27,274,177</b>	<b>100.00 %</b>	<b>\$ 27,623,565</b>	<b>100.00 %</b>	<b>1.28</b>

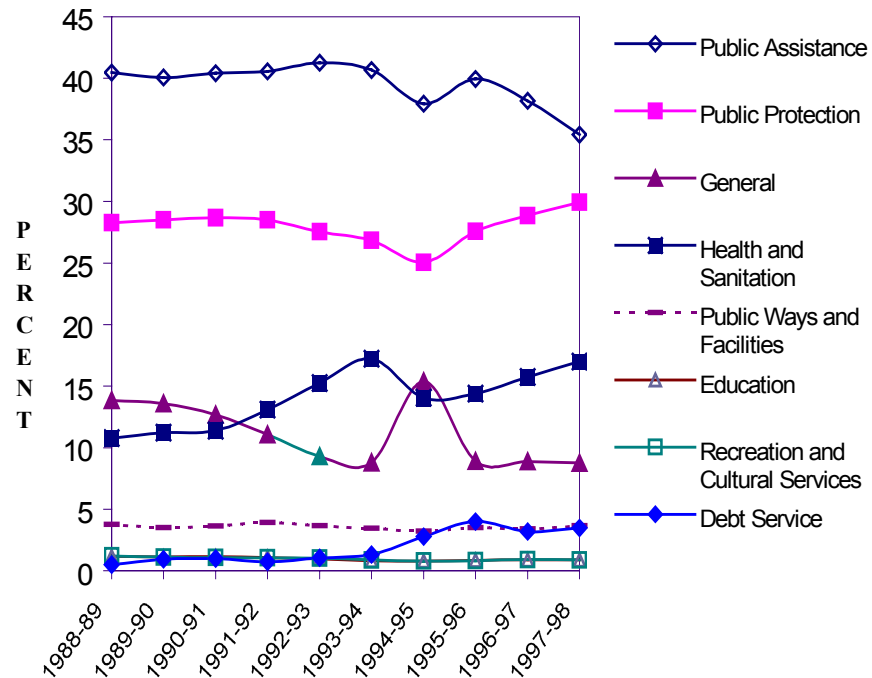
**Figure 16**

### General County Financing Uses



**Figure 17**

**10-Year Trend of General County Financing Uses as Percentage of Total By Fiscal Year**  
(Exclusive of County-Owned Enterprises and Bond Funds)



## Public Assistance

County expenditures for public assistance during 1997-98 totaled \$9.8 billion, a decrease of \$625.6 million (6.01%) from the prior year. Figure 18 presents further detail on public assistance expenditures. See Figure 19 for a 10-year comparison.

**Figure 18**

**Public Assistance**  
(Amounts in thousands)

			Percentage Increase (Decrease) From Prior Year		Percentage Increase (Decrease) From Prior Year
Public Assistance	1995-96	1996-97		1997-98	
Welfare .....	\$ 8,533,809	\$ 7,952,172	(6.82) %	\$ 7,173,414	(9.79) %
Social Services .....	1,475,750	1,580,608	7.11	1,694,920	7.23
General Relief .....	426,999	342,336	(19.83)	338,818	(1.03)
Other					
Care of Court Wards .....	49,098	34,719	(29.29)	26,582	(23.44)
Veterans Services .....	8,121	9,085	11.87	8,641	(4.89)
Other Assistance .....	502,895	489,495	(2.66)	540,458	10.41
Total Other .....	560,114	533,299	(4.79)	575,681	7.95
<b>Totals .....</b>	<b>\$ 10,996,672</b>	<b>\$ 10,408,415</b>	<b>(5.35)</b>	<b>\$ 9,782,833</b>	<b>(6.01)</b>

**Figure 19****10-Year Trend of Public Assistance**

(Amounts in thousands)

Year	Welfare	Social Services	General Relief	Other	Total	Per Capita in Dollars
1988-89 .....	\$ 5,740,431	\$ 674,360	\$ 300,672	\$ 340,970	\$ 7,056,433	\$ 252.67
1989-90 .....	6,392,383	779,361	338,166	343,263	7,853,173	273.19
1990-91 .....	7,196,471	879,348	391,494	378,061	8,845,374	298.58
1991-92 .....	8,007,355	947,597	520,142	446,915	9,922,009	327.87
1992-93 .....	8,069,586	1,073,847	553,638	473,928	10,170,999	331.47
1993-94 .....	8,340,682	1,266,808	449,674	432,285	10,489,449	336.05
1994-95 .....	8,631,639	1,414,145	420,313	505,225	10,971,322	347.31
1995-96 .....	8,533,809	1,475,750	426,999	560,114	10,996,672	346.64
1996-97 .....	7,952,172	1,580,608	342,336	533,299	10,408,415	325.75
1997-98 .....	7,173,414	1,694,920	338,818	575,681	9,782,833	301.18

**Public Protection**

County expenditures for public protection during 1997-98 totaled \$8.3 billion. This was an increase of \$402.1 million (5.11%) over the prior year. See Figure 20 for further detail on public protection expenditures and Figure 21 for a 10-year comparison.

**Figure 20****Public Protection**

(Amounts in thousands)

Public Protection	1995-96	1996-97	Percentage Increase Over Prior Year	1997-98	Percentage Increase (Decrease) From Prior Year
Judicial.....	\$ 2,937,906	\$ 3,030,090	3.14 %	\$ 3,094,538	2.13 %
Police Protection .....	1,726,345	1,773,234	2.72	1,992,196	12.35
Detention and Correction .....	2,109,881	2,192,902	3.93	2,316,366	5.63
Other					
Fire Protection.....	175,523	177,637	1.20	185,188	4.25
Flood Control, Soil, and Water Conservation.....	5,619	6,701	19.26	5,691	(15.07)
Protective Inspection.....	154,050	158,835	3.11	170,075	7.08
Other Protection .....	473,811	529,095	11.67	506,550	(4.26)
Total Other.....	809,003	872,268	7.82	867,504	(0.55)
<b>Totals .....</b>	<b>\$ 7,583,135</b>	<b>\$ 7,868,494</b>	<b>3.76</b>	<b>\$ 8,270,604</b>	<b>5.11</b>



**Figure 21**

**10-Year Trend of Public Protection**

(Amounts in thousands)

Year	Judicial	Police Protection	Detention and Correction	Other	Total	Per Capita in Dollars
1988-89.....	\$ 1,711,106	\$ 1,117,188	\$ 1,367,536	\$ 734,390	\$ 4,930,220	\$ 176.53
1989-90.....	1,977,187	1,220,992	1,558,565	831,730	5,588,474	194.40
1990-91.....	2,228,211	1,418,362	1,718,115	910,702	6,275,390	211.83
1991-92.....	2,459,450	1,644,877	1,906,659	959,193	6,970,179	230.33
1992-93.....	2,430,151	1,626,962	1,875,470	856,168	6,788,751	221.25
1993-94.....	2,504,670	1,604,433	1,938,605	871,064	6,918,772	221.66
1994-95.....	2,665,201	1,679,852	2,047,065	857,903	7,250,021	229.51
1995-96.....	2,937,906	1,726,345	2,109,881	809,003	7,583,135	239.04
1996-97.....	3,030,090	1,773,234	2,192,902	872,268	7,868,494	246.26
1997-98.....	3,094,538	1,992,196	2,316,366	867,504	8,270,604	254.62

**County Enterprise/Activity Expenses (Exclusive of General County Financing Uses)**

County-operated enterprises accounted for \$5.1 billion in expenses (exclusive of general county financing uses) during 1997-98. This was an increase of \$323.0 million (6.75%) over the prior year. These enterprises include airports, hospitals, refuse, transportation, and other. Tables 9 through 13 present details of these enterprise expenses. See Figure 22 for a three-year comparison. See Figure 12 for the number of enterprise/activity by type.

**Figure 22**

**County Enterprise/Activity Expenses**

(Amounts in thousands)

Type of Enterprise/Activity	1995-96	1996-97	Percentage Increase (Decrease) From Prior Year	1997-98	Percentage Increase (Decrease) From Prior Year
Airports.....	\$ 132,885	\$ 159,853	20.29 %	\$ 160,431	0.36 %
Hospitals.....	4,066,420	4,024,152	(1.04)	4,468,437 <sup>2</sup>	11.04
Refuse.....	373,353	499,378 <sup>1</sup>	33.75	359,766 <sup>3</sup>	(27.96)
Transportation.....	52,533	54,498	3.74	57,485	5.48
Other.....	45,234	47,980	6.07	62,706	30.69
<b>Totals.....</b>	<b>\$ 4,670,425</b>	<b>\$ 4,785,861</b>	<b>2.47</b>	<b>\$ 5,108,825</b>	<b>6.75</b>

<sup>1</sup> Increase was mainly due to the counties of Orange and San Diego having higher general operations and landfill pre/post-closure costs in the 1996-97 fiscal year.

<sup>2</sup> Increase was mainly due to the hospital enterprise of the County of Los Angeles receiving additional funds from the county in the amount of \$450 million. Los Angeles County Hospital Enterprise expenses increased by approximately \$418 million.

<sup>3</sup> Decrease was mainly due to the County of San Diego phasing out its refuse activity, which will be sold in the 1998-99 fiscal year. San Diego County Refuse Enterprise expenses reported a decrease of \$141 million.

## Long-Term Financial Obligations

The counties' total long-term financial obligations on June 30, 1998, amounted to \$21.0 billion, a 6.65% increase over the prior year. Of the total, lease-purchase obligations of \$13.0 billion comprised 62.44%, \$6.9 billion of bonded indebtedness accounted for 32.91%, and approximately \$1.0 billion of assessment bonds accounted for the remaining 4.65%. Debt service expenditures as a percentage of total expenditures decreased to 3.47% for 1997-98 compared to 3.18% in the prior year. See Figure 23 for a two-year comparison.

**Figure 23**

### Long-Term Financial Obligations

(Amounts in thousands)

Type of Debt	1996-97	Percent of the Total	1997-98	Percent of the Total	Percentage Increase (Decrease) From Prior Year
Lease Purchase Obligations .....	\$ 11,622,849	59.15 %	\$ 13,087,462 <sup>3</sup>	62.44 %	12.60 %
Revenue Bonds .....	6,623,577 <sup>1</sup>	33.71	6,672,285	31.84	0.74
Special Assessment Act Bonds .....	983,746	5.00	974,849	4.65	(0.90)
Certificates of Participation .....	353,563 <sup>2</sup>	1.80	164,085 <sup>4</sup>	0.78	(53.59)
General Obligation Bonds .....	65,337	0.33	57,997	0.28	(11.23)
Improvement District Bonds .....	1,714	0.01	1,612	0.01	(5.95)
<b>Totals .....</b>	<b>\$ 19,650,786</b>	<b>100.00 %</b>	<b>\$ 20,958,290</b>	<b>100.00 %</b>	<b>6.65</b>

<sup>1</sup> Increase was mainly due to the counties of Alameda, Mendocino, and Tulare issuing \$627,102,834, \$30,720,000, and \$41,460,000 of pension obligation bonds, respectively.

<sup>2</sup> Decrease was mainly due to the County of Orange reclassifying \$760,800,000 in certificates of participation as a lease purchase obligation with the Orange County Public Facilities Corporation, the agency that actually issued the certificates of participation.

<sup>3</sup> Increase was mainly due to the County of Alameda reclassifying approximately \$311,000,000 in certificates of participation to lease purchase obligations, and the counties of Los Angeles and Riverside reporting significant increases (in the amounts of \$291 million and \$775 million, respectively) due to refundings.

<sup>4</sup> Decrease was mainly due to the County of San Luis Obispo reclassifying \$10,155,000 in certificates of participation as special district debt and the County of Alameda reclassifying approximately \$311,000,000 in certificates of participation to lease purchase obligations.

## Lease Purchase Obligations

During the past decade, and particularly in recent years, counties have increasingly sought to finance capital expenditures through methods other than the traditional bond issue or "pay-as-you-go." One of the procedures frequently used is the "lease-purchase" plan. In its simplest form, this may consist of a non-profit corporation being organized for the sole purpose of issuing Certificates of Participation. Once issued, the proceeds are used to build a structure on land owned by a governmental agency. The corporation may arrange for conventional financing, secured by a long-term lease with the governmental agency that will be using the facility. The terms of the lease are sufficient to retire the financing, and upon expiration of the lease, the title of the facility passes to the governmental agency.

As of June 30, 1998, 45 counties were involved in lease-purchase agreements. These agreements, if continued to termination, carry a total obligation of \$13.0 billion. This was an increase of \$1.5 billion (12.60%) over the prior year. All years represented in Figure 24 are as of June 30. See Figures 24 and 25 for a 10-year comparison.

**Figure 24**

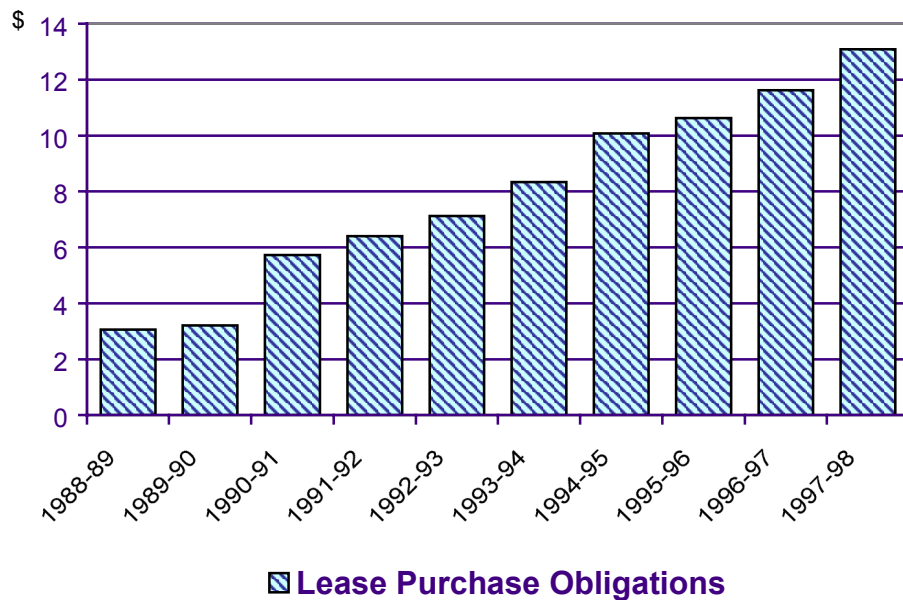
**Lease Purchase Obligations**  
(Amounts in thousands)

Fiscal Year	Number of Counties	Amount	Percentage Increase Over Prior Year
1989 .....	24	\$ 3,059,299	91.63 %
1990 .....	28	3,210,165	4.93
1991 .....	32	5,724,796	78.33
1992 .....	35	6,395,800	11.72
1993 .....	34	7,117,377	11.28
1994 .....	37	8,340,814	17.19
1995 .....	37	10,081,860	20.87
1996 .....	40	10,628,307	5.42
1997 .....	42	11,622,849	9.36
1998 .....	45	13,087,462 <sup>1</sup>	12.60

<sup>1</sup> Increase was mainly due to the County of Alameda reclassifying approximately \$311,000,000 in certificates of participation to lease purchase obligations.

**Figure 25**

**10 Year Trend of Lease Purchase Obligations By Fiscal Year**  
(Amounts in billions)



## Bonded Indebtedness

The counties' bonded indebtedness totaled \$6.9 billion as of June 30, 1998, a decrease of \$148.2 million (2.10%) from the prior year. The total consisted of \$58.0 million in general obligation bonds supported by county taxpayers, \$6.7 billion in revenue bonds, \$164.1 million in certificates of participation, and \$1.6 million in improvement district bonds supported by revenues from programs financed with the bond issues. Special assessment bonds are not considered debt of the counties and are not included in this schedule. Instead, special assessment bonds are detailed in Figure 27. All years represented in Figure 26 are as of June 30. Table 8 presents Bonded indebtedness detail. See Figure 26 for a 10-year comparison.

**Figure 26**

### Bonded Indebtedness (Amounts in thousands)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Improvement District Bonds	Total
1989.....	\$ 118,095	\$ 369,244 <sup>4</sup>	\$ —	\$ —	\$ 487,339
1990.....	121,511	353,830	—	—	475,341
1991.....	106,045	367,600	—	—	473,645
1992.....	94,602	369,853	9,715	3,561	477,731
1993.....	88,857	489,499	13,180	2,971	594,507
1994.....	610,637 <sup>1</sup>	478,930	6,085	1,514	1,097,166
1995.....	506,392 <sup>2</sup>	3,712,671 <sup>5</sup>	7,445	4,365	4,230,873
1996.....	70,837 <sup>3</sup>	5,894,366 <sup>6</sup>	806,155 <sup>8</sup>	2,266	6,773,624
1997.....	65,337	6,623,577 <sup>7</sup>	353,563 <sup>9</sup>	1,714	7,044,191
1998.....	57,997	6,672,285	164,085 <sup>10</sup>	1,612	6,895,979

<sup>1</sup> Increase was mainly due to the counties of San Diego and Sonoma issuing \$430,430,000 and \$97,400,000 of pension obligation bonds, respectively.

<sup>2</sup> Decrease was mainly due to the County of Sonoma reclassifying a \$97,400,000 bond issue to a revenue bond that had been previously reported as a general obligation bond.

<sup>3</sup> Decrease was mainly due to the County of San Diego reclassifying a \$430,430,000 bond issue to a revenue bond that had been previously reported as a general obligation bond.

<sup>4</sup> Increase was mainly due to the County of Orange issuing \$88,435,000 and \$242,440,000 of bonds for waste management facilities and airport facilities, respectively.

<sup>5</sup> Increase was mainly due to the counties of Los Angeles and Orange issuing \$1,965,230,232 and \$753,830,000 of pension obligation bonds, respectively.

<sup>6</sup> Increase was mainly due to seven counties issuing pension obligation bonds in the following amounts: Contra Costa, \$337,365,000; Kern, \$227,629,808; Los Angeles, \$327,400,000; Sacramento, \$538,060,208; San Bernardino, \$386,265,591; Stanislaus, \$108,970,000; and Ventura, \$154,510,000.

<sup>7</sup> Increase was mainly due to the counties of Alameda, Mendocino, and Tulare issuing \$627,102,834, \$30,720,000, and \$41,460,000 of pension obligation bonds, respectively.

<sup>8</sup> Increase was mainly due to the County of Orange issuing a \$760,800,000 recovery bond.

<sup>9</sup> Decrease was mainly due to the County of Orange reclassifying \$760,800,000 in certificates of participation as a lease purchase obligation with the Orange County Public Facilities Corporation, the agency that actually issued the certificates of participation.

<sup>10</sup> Decrease was mainly due to the County of San Luis Obispo reclassifying \$10,155,000 in certificates of participation as special district debt and the County of Alameda reclassifying approximately \$311,000,000 in certificates of participation to lease purchase obligations.

## Assessment Bonds

Unlike county general obligation bonds, assessment bonds represent an unpaid assessment for public works, the cost of which is assessed against the benefited property. The most common are issuances under the Improvement Acts of 1911 and 1915. Under the 1911 Act Bonds, the county has no obligation to the bondholders except to forward to them any money paid by the property owners. Under the 1915 Act Bonds, the county has a contingent liability in the case of delinquencies, and must either advance the amount of the delinquency or levy a limited tax rate on the benefited area. In the event of an advance, the funds are eventually returned to the county. The total amount outstanding for assessment bonds issued through the counties amounted to \$974.8 million on June 30, 1998. See Figure 27 for a 10-year comparison.

**Figure 27**

### Assessment Bonds (Amounts in thousands)

Fiscal Year	1911 Act Bonds	1915 Act Bonds	Other Act Bonds	Total
1989.....	\$ 28,427	\$ 550,571 <sup>1</sup>	\$ —	\$ 578,998
1990.....	24,330	553,575	605	578,510
1991.....	21,152	646,327	560	668,039
1992.....	49,358	668,591	520	718,469
1993.....	16,575	975,317 <sup>2</sup>	3,155	995,047
1994.....	15,618	944,503	3,077	963,198
1995.....	10,049	996,333	2,979	1,009,361
1996.....	5,961	1,002,005	2,880	1,010,846
1997.....	4,520	976,421	2,805	983,746
1998.....	4,150	967,981	2,718	974,849

<sup>1</sup> Increase due to the County of Orange issuing a \$440,000,000 bond.

<sup>2</sup> Increase due to the counties of Merced, Orange, Riverside, and San Diego issuing \$4,356,084, \$168,029,000, \$138,690,064, and \$28,804,151 of bonds, respectively.

## County Assessed Valuation

The net assessed valuation for the 1998-99 fiscal year grew by 4.88% over the prior year. Over the past 10 years, net assessed values have grown by an average of 4.98% each year. Since the enactment of Proposition 13, locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the Consumer Price Index (CPI), not to exceed an increase of 2%. Property is reappraised from the 1975-76 base year value to current full value upon (1) a change in ownership, or (2) new construction, as of the date of such transactions or completion of construction (only the newly constructed portion of the property is reappraised). Thereafter, it continues to be increased annually by the change in the CPI, not to exceed 2%. See Figure 28 for a 10-year comparison.

**Figure 28****Assessed Valuation**  
(Amounts in thousands)

<b>Year</b>	<b>Gross State and Local Assessed Valuation</b>	<b>Exemptions</b>	<b>Net Assessed Valuation</b>	<b>Percentage Increase Over Prior Year</b>
1989-90 .....	\$ 1,441,276,182	\$ 60,909,817	\$ 1,380,366,365	10.98 %
1990-91 .....	1,609,984,139	64,735,789	1,545,248,350	11.94
1991-92 .....	1,738,276,056	68,423,625	1,669,852,431	8.06
1992-93 .....	1,828,321,919	71,995,303	1,756,326,616	5.18
1993-94 .....	1,882,953,663	77,466,463	1,805,487,200	2.80
1994-95 .....	1,906,919,687	78,525,497	1,828,394,190	1.27
1995-96 .....	1,922,715,148	82,231,996	1,840,483,152	0.66
1996-97 .....	1,946,953,068	85,278,150	1,861,674,918	1.15
1997-98 .....	2,004,698,241	89,861,896	1,914,836,345	2.86
1998-99 .....	2,100,832,835	92,560,426	2,008,272,409	4.88

## Appropriations Limits

Chapter 1025, Statutes of 1987, requires the California State Controller to publish appropriations limits and total annual appropriations subject to the limit for counties. Table 14 of this publication contains this data.

The information provided in Table 14 has not been audited and is presented as submitted by the 57 counties of California, excluding the City and County of San Francisco.

# **Financial Section**

# **Supplemental Information**

**Appendix A: Financial Transactions of the City  
and County of San Francisco**

**Appendix B: Local Sales Tax Collected Within Cities  
Allocated to Counties as of July 1, 1998**

**Appendix C: Definitions**

**Appendix D: Notes to Tables**

**State Controller's Office Publication List**

**Acknowledgements**



# Appendix A — Revenue Sources, San Francisco

## General Revenue Sources and Expenditure Functions of the City and County of San Francisco for the Fiscal Year Ended June 30, 1998

### City and County of San Francisco

Year Ended June 30, 1998

Sources	Amount
Secured and Unsecured Property Tax .....	\$ 375,108,112
Voter Approved Indebtedness Property Tax .....	94,671,504
Other Property Taxes .....	4,084,698
Interest, Penalties, and Delinquent Taxes .....	6,843,702
Sales and Use Taxes .....	112,950,048
Transportation Tax — Transit .....	56,364,809
Transportation Tax — Non-Transit .....	37,428,469
Transient Lodging Tax .....	144,310,031
Franchises .....	8,050,791
Business License Tax .....	40,839,822
Real Property Transfer Tax .....	44,007,440
Utility Users' Tax .....	56,604,525
Other Non-Property Taxes:	
Admission Tax .....	2,933,835
Parking Tax .....	25,212,246
Employer's Payroll Tax .....	182,807,242
Total Taxes .....	<u>1,192,217,274</u>
LICENSES AND PERMITS	
Animal Licenses .....	100,733
Construction Permits .....	15,928,317
Street and Curb Permits .....	97,359
Other Licenses and Permits:	
Parking Permits .....	1,911,093
Eating Places' Licenses .....	3,371,097
Phone Booth Permits .....	972,927
Marriage Licenses .....	543,855
Miscellaneous Licenses and Permits .....	1,837,452
Total Licenses and Permits .....	<u>24,762,833</u>
FINES AND FORFEITURES	
Vehicle Code Fines .....	5,454,893
Other Fines, Forfeitures, and Penalties .....	2,056,075
Total Fines and Forfeitures .....	<u>7,510,968</u>
FROM USE OF MONEY AND PROPERTY	
Investment Earnings .....	164,894,917
Rents and Concessions .....	44,680,203
Total From Use of Money and Property .....	<u>209,575,120</u>
INTERGOVERNMENTAL — STATE	
Motor Vehicle In-Lieu Tax .....	131,456,050
Homeowners' Property Tax Relief .....	6,102,902
Gasoline Tax .....	21,114,925
Peace Officers Standards and Training .....	823,546
Off-Highway Motor Vehicle In-Lieu Fee .....	21,934
Tobacco Tax — AB 75 .....	9,862,551
Sales Tax — Realignment .....	94,995,114
Trial Court Funding .....	31,193,734

# Appendix A

## Revenue

### Sources,

(continued)

### City and County of San Francisco

Year Ended June 30, 1998

Sources	Amount
Public Safety Fund — Realignment.....	58,153,968
Social Services — Aid Payments.....	13,923,365
Social Services — Administration.....	25,998,004
Community Mental Health Services.....	3,329,882
State Alcohol Funds.....	15,203,347
California Children Services.....	1,301,468
Emergency Assistance.....	1,761,721
Maintenance of Minors in Foster Homes.....	12,197,818
AFDC.....	21,122,931
AFDC/GAIN — Administration Assistance.....	6,295,509
California Children Services — Administration.....	765,573
Earthquake Grant.....	7,208
State Mandated Costs.....	3,781,019
Food Stamp Program.....	7,277,069
Medi-Cal.....	29,259,321
Medi-Cal Eligibility Determination.....	17,632,839
Transit Capital Grant.....	27,581,837
Port Capital Grant.....	106,185
Airport Operating Grant.....	4,048,150
Electric Operating Grant.....	112,880
Hospital Operating Grant.....	45,568
Sewer Operating Grant.....	959,325
Miscellaneous/Direct State Grants.....	34,866,666
Total State Grants.....	581,302,409
INTERGOVERNMENTAL — FEDERAL	
Community Development Block Grant.....	53,955,656
Milk and Food Program.....	1,416,056
Maintenance of Minors in Foster Homes.....	16,922,316
AFDC — Programs/Administration.....	48,048,539
Child Support Enforcement Incentive.....	3,325,904
Food Stamp Program.....	10,253,142
Children Welfare Services.....	8,978,188
Medicare.....	1,256,000
FEMA Grant — Earthquake.....	845,390
Airport Capital Grant.....	1,072,205
Port Capital Grant.....	89,797
Transit Capital Grant.....	57,010,664
Miscellaneous/Direct Federal Grants.....	100,923,852
Total Federal Grants.....	304,097,709
CURRENT SERVICE CHARGES	
Zoning and Subdivision Fees.....	11,397,026
Special Police Department Services.....	12,799,090
Special Fire Department Services.....	3,285,242
Plan Checking Fees.....	5,535,847
Animal Shelter Fees and Charges.....	82,373
Engineering Fees, Inspection, and Others.....	7,433,058
Street, Sidewalk, and Curb Repairs.....	1,997,012
Sewer Service Charges and Connection Fees.....	140,151,546

# Appendix A

## Revenue Sources,

(continued)

### City and County of San Francisco

Year Ended June 30, 1998

Sources	Amount
Library Fines and Fees .....	683,334
Parking Facilities .....	15,262,093
Parks and Recreation Fees .....	4,431,067
Golf Course Fees .....	4,470,315
Water Service Charges .....	131,947,740
Electric Revenues .....	78,114,535
Airport Revenues .....	275,805,156
Housing.....	28,823,617
Ports and Harbor Revenues .....	37,873,638
Hospital Revenues.....	429,306,845
Transit Revenues .....	102,529,222
Stadium Revenues .....	7,327,573
Quasi-External Transactions .....	168,376,257
Other Current Service Charges:	
Court Fees .....	6,863,127
Recording Fees .....	2,155,177
Public Administrator Fees.....	1,542,821
Local Transportation — Administration .....	127,009
County Clerk — Miscellaneous Fees .....	702,322
Hazardous Materials Fees .....	607,905
Health and Dental Fees .....	999,293
Towing Fees .....	2,559,566
Boarding of Prisoners.....	1,734,691
Opera and Civic Auditorium Fees .....	395,108
Museum Hall and Art Commission Fees .....	2,016,912
Abandoned Vehicle Fees .....	438,393
Farmers' Market and Agriculture Commission Fees .....	412,550
Garbage Truck Inspection Fees.....	434,644
Other.....	12,970,916
Total Current Service Charges .....	<u>1,501,593,020</u>
OTHER REVENUES	
Sale of Real and Personal Property .....	2,709,472
Other Revenues:	
Transit Enterprise .....	155,820,293
Port and Harbor Enterprise.....	9,184,250
Water Enterprise.....	2,311,547
Hospital Enterprise.....	1,410,631
Electric Enterprise.....	608,116
Parking Enterprise.....	424,914
Other.....	19,580,620
Total Other Revenues.....	<u>192,049,843</u>
OTHER FINANCING SOURCES	
Sale of General Obligation Bonds.....	89,833,811
Sale of Revenue Bonds .....	700,735,923
Total Other Financing Sources .....	790,569,734
<b>TOTAL REVENUES.....</b>	<b><u>\$ 4,803,678,910</u></b>

# Appendix A — Expenditure Functions, San Francisco

## City and County of San Francisco Year Ended June 30, 1998

Functions	Operating Expenditures <sup>1</sup>	Capital Outlay	Total
<b>GENERAL GOVERNMENT</b>			
Legislative.....	\$ 26,665,655	\$ 894,926	\$ 27,560,581
Management and Support.....	333,461,728	6,971,909	340,433,637
Public Welfare Administration .....	92,540,307	—	92,540,307
Public Welfare Programs .....	215,927,383	—	215,927,383
Assessor .....	10,058,980	—	10,058,980
Treasurer and Tax Collector .....	12,255,874	—	12,255,874
Permit Appeals.....	284,501	—	284,501
Total General Government.....	691,194,428	7,866,835	699,061,263
<b>PUBLIC SAFETY</b>			
Police.....	240,778,721	12,922,548	253,701,269
Sheriff and Jails .....	70,487,477	—	70,487,477
Fire.....	144,720,455	9,762,526	148,819,225
Superior and Municipal Courts .....	66,527,024	—	66,527,024
Juvenile Court .....	24,087,159	—	24,087,159
District Attorney .....	33,060,475	—	33,060,475
Public Defender .....	10,377,391	—	10,377,391
Adult Probation.....	9,077,808	—	9,077,808
Animal Regulation .....	2,200,291	26,522	2,226,813
Street Lighting.....	2,839,366	—	2,839,366
Other.....	5,688,091	13,827,143 <sup>2</sup>	25,178,990
Total Public Safety.....	609,844,258	36,538,739	646,382,997
<b>TRANSPORTATION</b>			
Streets, Highways, and Storm			
Drains .....	23,317,984	121,436,088	144,754,072
Street Trees and Landscaping.....	1,868,332	—	1,868,332
Parking Facilities .....	42,618,845	—	42,618,845
Public Transit .....	405,788,469	107,467,449	513,255,918
Airports .....	307,875,864	662,795,736	970,671,600
Ports and Harbors.....	32,001,491	15,602,068	47,603,559
Total Transportation.....	813,470,985	907,301,341	1,720,772,326
<b>COMMUNITY DEVELOPMENT</b>			
Planning .....	16,689,107	212,763	16,901,870
Construction and Engineering			
Regulation Enforcement .....	29,035,413	45,782,034	74,817,447
Housing.....	42,439,329	—	42,439,329
Employment.....	610,278	—	610,278
Community Promotion.....	296,221	458	296,679
Commission on Aging.....	13,245,064	—	13,245,064
Other.....	2,552,305	2,676,694	5,228,999
Total Community Development.....	104,867,717	48,671,949	153,539,666
<b>HEALTH AND SANITATION</b>			
Physical and Mental Health .....	512,212,794	1,752,241	513,965,035
Hospitals and Sanitariums .....	409,657,620	3,163,737	412,821,357
Coroner.....	3,209,410	147,749	3,357,159

# Appendix A

## Expenditure Functions, (continued)

### City and County of San Francisco Year Ended June 30, 1998

Functions	Operating Expenditures <sup>1</sup>	Capital Outlay	Total
Sewers.....	139,843,315	20,735,011	160,578,326
Total Health and Sanitation.....	1,064,923,139	25,798,738	1,090,721,877
CULTURAL AND LEISURE			
Parks and Recreation.....	65,073,434	4,395,860	69,469,294
Marinas and Wharves .....	1,052,639	—	1,052,639
Libraries .....	36,614,677	(181,972) <sup>3</sup>	36,432,705
Museums .....	9,915,770	815,000	10,730,770
Sports Arenas and Stadiums .....	5,876,201	—	5,876,201
Community Centers and Auditoriums .....	43,135,968	—	43,135,968
Arts Commission and War Memorial .....	23,906,100	(220,789) <sup>3</sup>	23,685,311
Total Cultural and Leisure .....	185,574,789	4,808,099	190,382,888
PUBLIC UTILITIES			
Water .....	215,528,527 <sup>4</sup>	2,222,849	217,751,376
Electric .....	56,302,871	1,341,495	57,644,366
Light, Heat, and Power .....	4,820,437	7,961	4,828,398
Total Public Utilities.....	276,651,835	3,572,305	280,224,140
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 3,746,527,151</b>	<b>\$ 1,034,558,006</b>	<b>\$ 4,781,085,157</b>

<sup>1</sup> Operating Expenditures include debt service expenditures .

<sup>2</sup> Increase in Other Public Safety Capital Outlay was mainly due to \$9.7 million expenditure for the construction of a new courthouse and office building.

<sup>3</sup> Decrease in Libraries and Arts Commission and War Memorial Capital Outlay was mainly due to adjustments made to correct system conversion of various accounts.

<sup>4</sup> Increase in Water Operating Expenditures was mainly due to \$98.2 million in additional debt service payments.

## Appendix B— Sales Tax Allocation Rates

### Percentage of Local Sales Tax Collected Within Cities Allocated to Counties as of July 1, 1998 (First Rate Applies to All Cities Except Where Indicated)

Not all revenue from locally imposed sales taxes accrues to the city of sales situs. Counties, through contractual agreements with the cities, can receive a portion of the 1% sales tax revenue collected within the cities. These agreements vary and are subject to periodic adjustments. In addition to the percentages listed below, which are formalized by local ordinances of cities and counties and by contract with the Board of Equalization acting as the collection agent, several counties have supplemental agreements with their cities in which a percentage of collections is returned to the city of sale situs. The amount of contractual revenues is not presented below.

County / City	%	County / City	%
Alameda	5 %	Modoc	None
Dublin, Livermore, and San Leandro	None	Mono	None
Alpine	*	Monterey	None
Amador	None	Napa	5
Butte	None	American Canyon	None
Chico	5	Nevada	None
Calaveras	10	Orange	None
Colusa	None	Placer	None
Contra Costa	2.5	Plumas	5
Del Norte	None	Riverside	None
El Dorado	None	Sacramento	None
Fresno	None	San Benito	None
Fresno City	5.42	San Bernardino	None
Clovis	5	San Diego	None
Selma	4.5	San Francisco	**
Kingsburg and Sanger	4	San Joaquin	None
Firebaugh, Fowler, and Kerman	3.5	San Luis Obispo	None
Reedley	2.5	San Mateo	5
Coalinga and San Joaquin	3	Santa Barbara	None
Mendota	1.5	Santa Clara	None
Glenn	None	Santa Cruz	None
Humboldt	None	Shasta	None
Imperial	None	Sierra	5
Inyo	None	Siskiyou	None
Kern	None	Solano	None
Kings	2	Sonoma	2.5
Hanford	5	Windsor	None
Lake	None	Stanislaus	None
Lassen	5	Ceres, Modesto, Turlock, and Oakdale	5
Los Angeles	None	Sutter	None
Madera	—	Tehama	10
Chowchilla	8	Tehama City	None
Madera	6	Trinity	*
Marin	None	Tulare	5
Mariposa	*	Tuolumne	10
Mendocino	None	Ventura	3.3
Merced	None	Ojai	None
Los Banos	5	Yolo	None
Merced City	7.5	Yuba	None

\* No Incorporated Cities

\*\* Consolidated City and County

## Appendix C— Definitions

**Activity** — A specific line of work carried on by counties in order to perform their function.

**Aircraft** — An ad valorem property tax of 1.5% on the assessment of non-commercial aircraft. The revenue reported from the aircraft tax represents the county portion after application of a formula. This formula provides that if the situs of the assessment is within a city, the proceeds of the tax are divided among the city, the school district, and the county. If the situs is in an unincorporated area, the proceeds are shared equally by the school district and the county.

**Budget Units** — The classification of expenditures into appropriately identified accounting or cost centers deemed necessary or desirable for control of financial operations. Except as otherwise provided by law, such units may be devised at the discretion of the Board of Supervisors.

**Charges for Current Services** — A financing source that includes assessment and tax collection fees, auditing and accounting fees, communication services, election services, legal services, planning and engineering services, agricultural services, civil process services, court fees and costs, estate fees, humane services, law enforcement services, recording fees, road and street services, health fees, mental health services, California children's services, sanitation services, institutional care and services, library services, and park and recreation fees.

**Current Expense** — The total of expenditures for Salaries and Employee Benefits, Services and Supplies and Other Charges. Note: Road Construction is classified as a Current Expense.

**Debt Service** — A financing use that includes retirement of long-term debt, interest on long-term debt, and interest on notes and warrants.

**Education** — A financing use that includes school administration, library services, and agricultural education.

**Fines, Forfeitures, and Penalties** — A financing source that includes vehicle code fines, other court fines, forfeitures and penalties, and penalties and interest on delinquent property taxes.

**Fixed Assets** — Tangible assets of significant value having a utility that extends beyond the current year.

**Function** — A group of services aimed at accomplishing a certain purpose or end.

**General** — A financing use that includes legislative and administrative, finance, counsel, personnel, elections, communications, property management, plant acquisition, and promotion.

## Appendix C

### Definitions

(continued)

***Health and Sanitation*** — A financing use that includes public health, medical care, mental health, drug and alcohol abuse services, and sanitation costs.

***Intergovernmental Revenues*** — Includes state highway users' tax, motor vehicle in-lieu tax, trailer coach in-lieu tax, public assistance administration, public assistance programs, health programs, aid for mental health, aid for agriculture, aid for construction, aid for corrections, aid for county fairs, aid for disaster, homeowners' property tax relief, open space tax relief, and mandated costs; includes federal public assistance administration, public assistance programs, health administration, aid for construction, aid for disaster, forest reserve revenue, aid from other governmental agencies, and other in-lieu taxes.

***Licenses, Permits, and Franchises*** — A financing source that includes licenses, permits, and franchises.

***Miscellaneous Revenue*** — A financing source that includes sale of fixed assets and miscellaneous revenue items.

***Other Financing Sources*** — A financing source that includes proceeds from the sale of bonds and other long-term debt proceeds.

***Property Transfer*** — A tax on the sale of real property; the rate is \$1.10 per \$1,000 of sales value. If the situs of the sale is in an unincorporated area or within a city that has not enacted such a tax, all of the tax accrues to the county. If the situs is within a city that has also enacted the tax, the proceeds are shared equally by the city and the county.

***Public Assistance*** — A financing use that includes welfare, social services, general relief, care of court wards, and veterans' services.

***Public Protection*** — A financing use that includes judicial, police protection, detention and correction, fire protection, flood control, soil and water conservation, and protective inspection.

***Public Ways and Facilities*** — A financing use that includes roads, transportation terminals, transportation systems, and parking facilities.

***Recreation and Cultural Services*** — A financing use that includes recreation facilities, cultural services, veterans memorial buildings, and small craft harbors.

***Special Benefit Assessments*** — A financing source that includes special benefit assessments for operations and capital outlay.



## Appendix C Definitions (continued)

***Taxes*** — A financing source that includes current year's secured, unsecured, and supplemental property taxes; prior year's secured, unsecured, and supplemental property taxes; voter-approved indebtedness; special district augmentation fund; and sales and use, transportation, aircraft, transient lodging, property transfer, utility users, and timber yield taxes.

***Timber Yield*** — A tax replacing the property tax on standing timber. The tax is on harvested timber only and is assessed by the State Board of Equalization. Proceeds are distributed to the counties according to the timber's location and value.

***Transient Lodging (Room Occupancy)*** — A tax that counties may levy in their unincorporated areas. The tax rate and revenue uses are determined by county ordinance.

***Use of Money and Property*** — A financing source that includes interest, rents, and royalties.

***Utility Users*** — A tax that counties may levy on public utilities in their unincorporated areas. The tax rate and revenue uses are determined by county ordinance.

## Appendix D — Notes to Tables

### Calaveras County

Non-Enterprise Airport activity is included in the Statement of General County Financing Sources and Uses in-lieu of being reported in the Airport enterprise/activity Statement of Revenue and Expense.

The Non-Enterprise Airport activity amounts included in the Statement of General County Financing Sources and Uses are detailed below to assist in analysis:

Aircraft Tax Revenue \$11,669; Other Charges for Current Services Revenue \$247,238; Other Sales Revenue \$48,313; and various functional expenditures of \$437,819, for a Total Airport Net Loss of \$-130,559.

Reference: Tables 6, 7, and 9.

Non-Enterprise Refuse activity is included in the Statement of General County Financing Sources and Uses in-lieu of being reported in the Refuse enterprise/activity Statement of Revenue and Expense.

The Non-Enterprise Refuse activity amounts included in the Statement of General County Financing Sources and Uses are detailed below to assist in analysis:

Vehicle Code Fines Revenue \$155,980; Interest Revenue \$128,514; Sanitation Services Revenue \$3,365,776; Other Sales Revenue \$18,956; Miscellaneous Revenue \$189,680; and Sanitation Services Expenditures of \$4,753,846, for a Total Refuse Net Loss of \$-894,940.

Reference: Tables 6, 7, and 11.

### Contra Costa County

Miscellaneous Revenue and various Operating Expenditures are overstated due to the inclusion of interfund charges between governmental funds. Amounts are indeterminable.

Reference: Tables 6 and 7.

### Imperial County

Miscellaneous Revenue and various Operating Expenditures are overstated in the amount of \$1.5 million due to the inclusion of interfund charges between the governmental funds.

Reference: Tables 6 and 7.

## Appendix D (continued)

### Inyo County

Transit enterprise activity is included in the Statement of General County Financing Sources and Uses of the *Counties Annual Report* in addition to being reported in the *Transit Operators Annual Report*.

The Transit enterprise activity amounts included in the Statement of General County Financing Sources and Uses are detailed below to assist in analysis:

Transportation Tax Revenue for Transit Purposes \$262,116; Interest Revenue \$2,749; Road Revenue (Regional Surface Transportation Funds) \$30,679; Other Governmental Agency Revenue \$117,905; Other Charges for Current Services Revenue \$71,624; Transportation Systems Operating Expenditures \$523,551; and Transportation Systems Capital Outlay Expenditures of \$12,824.  
Reference: Tables 6, 7, and 9.

Airport enterprise – Construction Project activity is included in the Statement of General County Financing Sources and Uses in-lieu of being reported in the Airport enterprise/activity Statement of Revenue and Expense. In addition, General Airport Enterprise activity is also reported on the Airport enterprise/activity Statement of Revenue and Expense.

The Airport enterprise – Construction Project activity amounts included in the Statement of General County Financing Sources and Uses are detailed below to assist in analysis:

Other Federal Revenue \$368,115; Other Plant Acquisition Operating Expenditures \$4,531; Other Plant Acquisition Capital Outlay \$224,580.  
Reference: Tables 6, 7, and 9.

### Mendocino County

Other General Operating Expenditures reported in Table 7 is a negative amount of \$968,692 due to the inclusion of Pension Obligation Interfund Charges. The amount of Pension Obligation Interfund Charges is \$3,277,308. The amount of current year actual Other General Operating Expenditures is \$2,308,616. The offsetting revenue sources impacted by the \$3.3 million Pension Obligation Charges are indeterminable.  
Reference: Tables 6 and 7.

## Appendix D (continued)

### Napa County

Governmental Fund activities other than those reported in the General Fund are not allocated in the *Counties Annual Report* by source/function. The Special Revenue, Debt Service, and Capital Projects Fund activities are only allocated to Other Charges for Current Services Revenue and Other General Expenditures.

Reference: Tables 6 and 7.

### Riverside County

Miscellaneous Revenue and various Operating Expenditures are overstated in the amount of \$3.8 million due to the inclusion of interfund charges between the governmental funds.

Reference: Tables 6 and 7.

### San Benito County

Non-Enterprise Refuse activity is included in the Statement of General County Financing Sources and Uses in-lieu of being reported in the Refuse enterprise/activity Statement of Revenue and Expense. Any related long-term pre/post closure landfill debt was omitted from this report.

Reference: Table 6 and 7.

### San Bernardino County

General, and Property Management Expenditures includes \$26.6 million in Long-Term Debt Service Expenditures.

Reference: Table 7.

### San Joaquin County

Other Charges for Current Services Revenue and various Operating Expenditures are overstated due to the inclusion of interfund charges between the governmental funds. Amounts are indeterminable.

Reference: Tables 6 and 7.

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